

HKE_x LISTING DECISION

Cite as HKE_x-LD23-2 (March 2001) (Updated in September 2009 and withdrawn in January 2013)

[This Listing Decision was withdrawn in January 2013 in light of the Rule changes consequential on statutory backing to issuers' continuing obligation to disclose inside information.]

Summary	
Name of Party	Company A - a listed company
Subject	Profit warning
Listing Rule	Note 2.12 to the Listing Agreement <i>[now Note 11 (ii) to Rule 13.09(1)]</i>
Decision	Immediate paid announcement required ¹

Summary of Facts

Company A was experiencing a downturn in its business and expected its forthcoming annual results to show a sharp decline in profits or even sizeable losses. Company A enquired whether this was a matter which should be made known to the market or kept confidential pending release of its results.

Analysis

Note 2.12 to the Listing Agreement *[now Note 11 (ii) to Rule 13.09(1)]* provides, among other things, as follows:

"[t]he Issuer must notify the Exchange, members of the Issuer and other holder of its listed securities without delay where:-

.....

- (ii) to the knowledge of the directors there is such a change in the Issuer's financial condition or in the performance of its business or in the Issuer's expectation of its performance that knowledge of the change is likely to lead to substantial movement in the price of its listed securities".

Company A's situation fell squarely within this provision.

Decision

Company A needed to issue without delay a paid announcement in the newspapers¹ to inform the market of the expected decline in profits or sizeable losses.

Note:

1. *The requirement for publication of paid announcements in newspapers was abolished on 25 June 2007. After the rule amendment, issuers must publish their announcements required under the rules on the Exchange's website and their own website. (Added in September 2009)*